GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3003
ANSWERED ON:31.07.2014
AMENDMENT IN ELECTRICITY ACT
Singh Shri Sunil Kumar

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to amend the Electricity Act, 2003;

(b) if so, the time by which it is likely to be done and the nature of amendments likely to be made;

(c) whether the Government is conducting the audit of various electricity companies in the country; and

(d) if so, the number of companies which have been audited as on date and the remaining companies to be audited?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) & (b) : Yes, Madam. Based on the experience gained over the last ten years and to accommodate the recent developments in the areas of grid stability and security, development of market and progress in technology, Ministry has drafted the amendments to the Electricity Act, 2003 based on the recommendations of a committee headed by Chairman, Central Electricity Authority (CEA). These amendments are expected to bring about further improvements in grid security, efficiency in distribution sector through separation of carriage and content, rationalization of tariff, dynamic and responsible regulatory framework with the overall objective of sustainable growth of the sector aimed at consumer benefits. The proposed draft amendments were circulated on 17th October, 2013 for seeking comments. The same were also uploaded on the website of Ministry of Power.

(c) & (d) : Distribution of electricity is a licensed activity. As per the provisions of Section 14 of the Electricity Act, 2003, the State Electricity Regulatory Commissions (SERCs) have the power to grant license to any person to distribute electricity. Hence, distribution companies in the States are answerable to respective SERCs for licence related activities. The Union Government has no direct role in functioning of power distribution companies. No specific details regarding the audit of various electricity companies conducted in the country is presently available with the Government.